

To: Robin, George[Robin.George@epa.gov]
From: Robin, George
Sent: Thur 2/11/2016 3:35:42 PM
Subject: (Arroyo Grande) State submits proposal to EPA for expanded aquifer exemption in AG oil field

<http://www.ksby.com/story/31182594/state-submits-proposal-to-epa-for-expanded-aquifer-exemption-in-ag-oil-field>

State submits proposal to EPA for expanded aquifer exemption in AG oil field

Tuesday, February 9, 2016 By Katherine Worsham

Plans to allow the injection of oil and gas production wastewater into an aquifer in the Arroyo Grande oil field have taken a step forward.

The California Department of Conservation and State Water Resources Control Board are asking the U.S. Environmental Protection Agency (EPA) to expand an aquifer exemption for the area, which is located near the intersection of Ormonde and Price Canyon roads.

At public meetings last fall, residents protested the aquifer exemption and plans by Freeport-McMoRan, an oil and gas company, to increase the number of oil wells it currently operates in the area.

Those opposed to the exemption believe allowing wastewater injection would harm the drinking water supply. However, state officials say the affected aquifer is not currently a source of drinking water and will not be in the future, and they say the injected fluid will remain in that aquifer.

Some of the 31 new wells proposed by Freeport-McMoRan, which would be capable of injection into the aquifer, fall into the proposed exemption expansion area. While San Luis Obispo County previously approved a land use permit for the wells, a provision in the permit would not allow any new injection into the expanded area unless the exemption is approved by the EPA.

The Center for Biodiversity has appealed the County Planning Commission's approval of the Freeport-McMoRan project. County officials say staff is still reviewing the appeal letter and a hearing before the Board of Supervisors has not yet been scheduled.

Related links:

[Aquifer Exemption Information \(CA Dept. of Conservation\)](#)

http://www.conservation.ca.gov/dog/Pages/Aquifer_Exemptions.aspx

Aquifer Exemption Information

Arroyo Grande

The California Department of Conservation/Division of Oil, Gas, and Geothermal Resources ("Division") and State Water Resources Control Board on February 8, 2016 submitted a proposal to the U.S. Environmental Protection Agency requesting to expand an aquifer exemption designation for the Dollie sands of the Pismo formation in the Arroyo Grande oil field. The field is in unincorporated San Luis Obispo County near the intersection of Ormonde Road and Price Canyon Road. The proposed aquifer exemption would allow the State, in compliance with the federal Safe Drinking Water Act, to approve Class II injection into the identified area, either for enhanced oil recovery or for injection disposal of fluids associated with oil and gas production.

In August 2015, state and regional officials sent the initial public notice regarding the expansion proposal. The initial public comment period was held from August 20 – September 21, with a public comment hearing on September 21st in San Luis Obispo. On December 2, 2015 officials provided additional information to the proposed exemption and reopened a 15-day supplemental comment period to receive comment on the additional information.

Public Notice and Documents relating to the Aquifer Exemption Application:

Price Canyon Oilfield Project (SLO Co. Planning and Building Dept.

Price Canyon Oilfield Project (Freeport McMoran Oil & Gas) - DRC2012-00035



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Phase IV Development. In 2005 Phase IV of the Arroyo Grande oil field development

was approved, which allowed 95 new oil wells. 64 of these wells have been installed. On October 22, 2015 the Planning Commission approved a [Conditional Use Permit](#) by Freeport-McMoRan to allow 3 additional years to drill the remaining, previously approved oil wells (up to 31 wells). This decision has been appealed to the Board of Supervisors by the Center for Biological Diversity. County Staff is currently reviewing the [appeal](#) and has not yet scheduled a hearing before the Board of Supervisors. Please contact John McKenzie, the County Project Manager, at (805) 781-5452 for additional information. For additional information, see also the 'Historical Documents' and 'Phase IV Development' folders below.

Under a separate grading permit application (PMT2014-01980), Freeport-McMoRan is also proposing to replace an existing creek crossing structure across Pismo Creek.

Proposed Phase V Expansion. Request by Freeport McMoran Oil & Gas, formerly Plains Exploration & Production Company, for a Conditional Use Permit to allow for Phase V development, which would be to expand production of an existing oil field and include the following elements: addition of 8 new well pads, modification of 33 existing pads and the use of other existing pads to provide for up to 450 new wells (oil, steam injection, re-injection, replacement); 100 of these new wells would be 'replacement' wells; installation of additional production and steam lines to the new wells; expansion of existing electrical power system; and replacement of one existing pipe bridge over Pismo Creek. This expansion is expected to increase daily oil production from the currently approved 5,000 barrels to 10,000 barrels. No hydraulic fracturing is proposed.. The project is located on both sides of Price Canyon Road, extending approximately one mile to the north and south of Ormonde Road, northeast of the City of Pismo Beach, in the San Luis Bay (inland) planning area. The [Project Status Update](#) document below provides a brief history and status of the project. Please contact [John McKenzie](#), the County Project Manager, at (805) 781-5452 for additional information. Please also refer to the 'Environmental', 'Historical Documents' and 'Planning' folders below.

 [OngoingStatusReport](#) - [160KB]

Environmental

 [Initial Study](#) - [734KB]

[Notice of Preparation \(NOP\)](#)

 [Notice of Preparation \(NOP\)](#) - [107KB]

Responses Received

 [APCD](#) - [2876KB]

 [CADFW](#) - [54KB]

 [CalFIRE](#) - [432KB]

 [CCSalmonEnhancement](#) - [171KB]

 [County Ag Dept](#) - [39KB]

 [County Building](#) - [39KB]

 [CountyParks](#) - [109KB]


 [DOGGR](#) - [57KB]

 [Public Works](#) - [129KB]

 [State Clearinghouse](#) - [324KB]

 [USFWS](#) - [346KB]

Scoping Meeting

 [Presentation 2-19-14](#) - [4141KB]


 [Scoping Meeting](#) - [360KB]

 [Scoping Meeting Summary](#) - [388KB]

Historical Documents

 [Phase IV Staff Report \(D010386D\)](#) - [125KB]

2004 - Phase IV EIR

 [EIR Addendum 01 Sep08](#) - [1782KB]

 [Final EIR for PXP Phase IV Development \(2004\)](#) - [19110KB]

 [Final EIR for PXP Phase IV Development \(2004\), Vol. II](#) - [19812KB]

[2008 - RO Water System EIR](#)

Appendices

 [Appendix A - Notice of Preparation](#) - [144KB]

 [Appendix B - Notice of Preparation Responses](#) - [696KB]

 [Appendix C - Entrix Documents](#) - [437KB]

 [Appendix D - Air Quality](#) - [3200KB]

 [Appendix E - Biological Resources](#) - [31926KB]

 [Appendix F - Water Quality](#) - [190KB]

 [Appendix G Public Draft comment letters Matrix](#) - [1104KB]

 [Appendix H - MMRP](#) - [147KB]

 [PXP Oak DBH Spreadsheet May07](#) - [36KB]

 [PXP Plant List July07](#) - [109KB]


 [PXP Wetland Assessment](#) - [8911KB]

 [PXP_CRLF Report](#) - [27850KB]

 [Wildlife Species List](#) - [202KB]

EIR Documents

 [01 Cover](#) - [82KB]

 [02 TOC](#) - [25KB]

 [03 Chapter 1.0 Introduction](#) - [207KB]

 [04 Chapter 2.0 Summary of Environmental Effects - \[97KB\]](#)

 [05 Chapter 2.0 Summary Table - \[472KB\]](#)

 [06 Chapter 3.0 Project Description - \[220KB\]](#)

 [07 Chapter 4.0 Land Use Policy Consistency - \[281KB\]](#)

 [08 Chapter 5.1 Issues Previously Addressed - \[124KB\]](#)

 [09 Chapter 5.2 Air Quality - \[338KB\]](#)

 [10 Chapter 5.3 Biological Resources - \[760KB\]](#)

 [11 Chapter 5.4 Geology and Soils - \[98KB\]](#)

 [12 Chapter 5.5 Hydrology and Water Quality - \[345KB\]](#)

 [13 Chapter 5.6 Hazards and Hazardous Materials - \[205KB\]](#)

 [14 Chapter 6.0 Project Alternatives - \[211KB\]](#)

 [15 Chapter 7.0 Growth Inducement - \[97KB\]](#)

 [16 Chapter 8.0 Cumulative Analysis - \[152KB\]](#)

 [17 Chapter 9.0 Response to Comments - \[9KB\]](#)















 [18 Chapter 10.0 Report Preparers - \[9KB\]](#)

 [19 Chapter 11.0 - References - \[134KB\]](#)

Figures





 [0702-0291 Figure 3-1 Site Vicinity Map - \[1129KB\]](#)

 [0702-0291 Figure 3-2 Site Location Map - \[448KB\]](#)

-  [0702-0291 Figure 3-3 Property Plan](#) - [400KB]
-  [0702-0291 Figure 3-4 Facility Area Plan](#) - [459KB]
-  [0702-0291 Figure 3-5 Facility Site Plan](#) - [381KB]
-  [0702-0291 Figure 3-6 Block Flow Diagram](#) - [86KB]
-  [0702-0291 Figure 3-7 Discharge Schematic](#) - [124KB]
-  [0702-0291 Figure 3-8 Grading and Equipment Overlay Plan](#) - [207KB]
-  [0702-0291 Figure 5.3-1 Plant Community Map](#) - [9720KB]
-  [0702-0291 Figure 5.3-2 Special-status Species Map](#) - [15407KB]
-  [0702-0291 Figure 5.3-3 Focused Impact Map](#) - [3368KB]
-  [0702-0291 Figure 5.4-1 Stratigraphic Column](#) - [145KB]
-  [0702-0291 Figure 5.4-2 Major Fault Structures](#) - [103KB]
-  [0702-0291 Figure 8-1 Cumulative Projects Map](#) - [399KB]
-  [0702-0921 Figure 5.3-4 Open Space Easement](#) - [866KB]
-  [0702-0921 Figure 5.5-1 Pismo Hydrology](#) - [1249KB]

Phase IV Development

Hyla Crossing

-  [5 URS Bio Resources Summary Report on Hyla Crossing-2014](#) - [39169KB]
-  [6 URS Jurisdictional Determination-2014](#) - [5571KB]
-  [BalanceHydrologics-HydrogeoRpt on PismoCrk-2008](#) - [36504KB]
-  [ND-Complete](#) - [15835KB]

Time extension - 31 wells



CBD Appeal-combined - [10801KB]



FMOG Staff Report w Exhibits - New Condition - [975KB]

Planning